

SUMMARY DESCRIPTION
CSBS
NATIONWIDE FOREIGN BANKING ORGANIZATION
SUPERVISION AND EXAMINATION COORDINATION AGREEMENTS

- The purpose of the Agreements is to improve coordination and cooperation in the supervision of the multi-state operations of foreign banking organizations (FBO's) that operate under a state license or charter. The agreements have now been signed.

- Goals:
 - 1. Provide for a seamless supervisory process.
 - 2. Ensure that supervision is flexible and commensurate with the organization's structure and risk profile.
 - 3. Minimize regulatory burden and cost.

- This agreement is modeled after the domestic agreement for the nationwide supervision of domestic state chartered banks.

- Each multi-state foreign bank will have a state coordinator.
 - The bank will have a single point of contact at one state banking department for both examination and applications.
 - Bankers will still be able to communicate directly with any state regulator. Local access and expertise is one of the hallmarks of the state system.

- The State Coordinator will be selected using the following criteria:
 - 1. Location of a centralized management or regional office in the U.S.
 - 2. Relative size and complexity of the offices in each state.
 - 3. Designation of the responsible Reserve Bank.
 - 4. Preferences of bank management.

- The states pledge a high degree of continuous information sharing in order to reduce regulatory burden for the institution.

- The State Coordinator will be responsible for developing a written comprehensive supervisory plan that is tailored to the foreign bank's structure and risk profile. This should reduce regulatory overlap and streamline the examination process.

- A parallel Federal-State agreement has been signed to assure increased cooperation between the state supervisors and applicable Federal supervisory agencies.